

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 3000**

(SENATE AUTHORS: STUMPF, Jensen, Hoffman and Saxhaug)

DATE	D-PG	OFFICIAL STATUS
03/21/2016	5152	Introduction and first reading Referred to Finance

1.1 A bill for an act  
 1.2 relating to education finance; eliminating the cap on alternative teacher  
 1.3 compensation aid; modifying alternative teacher compensation reporting  
 1.4 requirement; amending Minnesota Statutes 2015 Supplement, sections 122A.414,  
 1.5 subdivision 3; 122A.415, subdivisions 3, 4.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 3,  
 1.8 is amended to read:

1.9 Subd. 3. **Report; continued funding.** ~~(a) Participating districts, intermediate school~~  
 1.10 ~~districts, cooperatives, school sites, and charter schools must report on the implementation~~  
 1.11 ~~and effectiveness of the alternative teacher professional pay system, particularly~~  
 1.12 ~~addressing each requirement under subdivision 2 and make annual recommendations by~~  
 1.13 ~~June 15 to their school boards. The school board, board of directors, or governing board~~  
 1.14 ~~shall transmit a copy of the report with a summary of the findings and recommendations~~  
 1.15 ~~of the district, intermediate school district, cooperative, school site, or charter school to~~  
 1.16 ~~the commissioner in the form and manner determined by the commissioner.~~

1.17 ~~(b) If the commissioner determines that a school district, intermediate school district,~~  
 1.18 ~~cooperative, school site, or charter school that receives alternative teacher compensation~~  
 1.19 ~~revenue is not complying with the requirements of this section, the commissioner~~  
 1.20 ~~may withhold funding from that participant. Before making the determination, the~~  
 1.21 ~~commissioner must notify the participant of any deficiencies and provide the participant~~  
 1.22 ~~an opportunity to comply.~~

1.23 **EFFECTIVE DATE.** This section is effective July 1, 2016.

2.1 Sec. 2. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 3, is  
2.2 amended to read:

2.3 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, cooperatives,  
2.4 school sites, or charter schools with approved applications must receive alternative  
2.5 compensation revenue for each school year that the district, intermediate school district,  
2.6 cooperative, school site, or charter school implements an alternative teacher professional  
2.7 pay system under this subdivision and section 122A.414. ~~A qualifying district, intermediate~~  
2.8 ~~school district, cooperative, school site, or charter school that received alternative teacher~~  
2.9 ~~compensation aid for the previous fiscal year must receive at least an amount of alternative~~  
2.10 ~~teacher compensation revenue equal to the lesser of the amount it received for the previous~~  
2.11 ~~fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if~~  
2.12 ~~the district, intermediate school district, cooperative, school site, or charter school submits~~  
2.13 ~~a timely application and the commissioner determines that the district, intermediate school~~  
2.14 ~~district, cooperative, school site, or charter school continues to implement an alternative~~  
2.15 ~~teacher professional pay system, consistent with its application under this section.~~

2.16 (b) The commissioner shall approve applications that comply with subdivision 1,  
2.17 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter  
2.18 school or cooperative, in the order in which they are received, select applicants that  
2.19 qualify for this program, notify school districts, intermediate school districts, cooperatives,  
2.20 school sites, and charter schools about the program, develop and disseminate application  
2.21 materials, and carry out other activities needed to implement this section.

2.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

2.23 Sec. 3. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4, is  
2.24 amended to read:

2.25 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative  
2.26 teacher compensation aid for a school with a plan approved under section 122A.414,  
2.27 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under  
2.28 subdivision 1. The basic alternative teacher compensation aid for a charter school with a  
2.29 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the  
2.30 number of pupils enrolled in the school on October 1 of the previous year, or on October  
2.31 1 of the current year for a charter school in the first year of operation, times the ratio of  
2.32 the sum of the alternative teacher compensation aid and alternative teacher compensation  
2.33 levy for all participating school districts to the maximum alternative teacher compensation  
2.34 revenue for those districts under subdivision 1.

3.1           (b) ~~Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative~~  
3.2 ~~teacher compensation aid entitlement must not exceed \$88,118,000 for fiscal year 2017~~  
3.3 ~~and later. The commissioner must limit the amount of alternative teacher compensation~~  
3.4 ~~aid approved under this section so as not to exceed these limits. Basic alternative teacher~~  
3.5 ~~compensation aid for an intermediate district or other cooperative unit equals \$3,000 times~~  
3.6 ~~the number of licensed teachers employed by the intermediate district or cooperative unit~~  
3.7 ~~on October 1 of the previous school year.~~

3.8           **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and  
3.9 later.